

Introduction

The purpose of the Economic Development element is to review Kerrville's economic development history and economic indicators to provide direction for enhancing the community's economic development planning and business retention, expansion and recruitment efforts.

This element of the plan is directly "linked" to the land use, annexation, utilities, public facilities, and transportation elements, which are interrelated through their influence on Kerrville's development pattern, provision of public facilities, infrastructure, and economic opportunity.

This element consists of two parts:

1. Issues related to economic development; and,
2. Goals, objectives, and action statements.

Economic development potential can be characterized by building upon Kerrville's strengths as well as its opportunities, and alleviating economic weaknesses.

Issues

The Comprehensive Plan Advisory Committee (CPAC) and residents of Kerrville contributed to the identification of issues and prioritization of various projects and initiatives, which are reflected in the goals, objectives, and action statements of this chapter. The Economic Development element is intended to enable cooperative partnerships among various entities and organizations with a mutual interest of expanding and strengthening the local economy.

The key issues relating to economic development include:

1. **Job Creation and Retention.** Jobs are created through business expansion or establishment of new businesses. Retail and service sectors are the leading industries in the Kerrville economy. Other economic engines that should be capitalized upon are the healthcare, education, and tourism industries, camps and conferences as well as the arts and promotion of small to medium sized businesses that are attracted to Kerrville's quality of life.
2. **Job Training.** The development and retention of a trained and qualified labor force is essential to sustain economic development



Economic Strengths of Kerrville:

- **Retirement** offers a benefit to the community in the form of resources and disposable income;
- **Health Care** is prominent in Kerrville with the Peterson Memorial Hospital, Kerrville State Hospital, the Veterans Administration Hospital and other associated medical clinics and institutions;
- **Recreation** is a result of the community's scenic hill country location, which offers hiking, biking, golf, tennis, camping, hunting, fishing, canoeing, and tubing, among other outdoor activities;
- **Camps and the Conference Center** offer church related and private facilities and programs for children, youth and adults. Also, there are several facilities/homes for special need children;
- **Arts and Culture** are among the assets of the community with its museums, festivals, fairs, theaters, arts and other community events and activities; and,
- **Education** is an attraction to the community with the recognized quality of the Kerrville Independent School District (KISD) and the local presence of Schreiner University, and several private schools.

efforts. Effective job training programs are often the result of strong public/private partnerships among businesses, education, and government agencies. Careful coordination with business recruitment efforts is necessary to reduce out-migration to other nearby major employment centers such as San Antonio and Austin.

3. **Affordable Housing/Neighborhood Revitalization.** Quality of life is a primary consideration in business location or relocation. Housing and neighborhoods play a major role in establishing local quality of life. Recognized as an attractive place to live, there is a desire to reside in or near Kerrville; however, some of Kerrville's core neighborhoods are in need of reinvestment. Revitalization is a necessary component of community and economic development. Unfortunately, as revitalization occurs, families may be "priced out" of their current neighborhoods, so affordable housing needs to be available.
4. **Visitor Attraction/Larger Meeting/Convention Center.** As an economic engine, tourism facilitates the accumulation of wealth within the community because of the multiplier effect of visitor spending. A steady influx of visitors to the region helps to diversify the availability and types of services available and contributes significantly to job creation, while not overburdening public infrastructure, such as educational facilities. Visitors are attracted to Kerrville for various reasons, many associated with recreation, festivals, and the arts. Adequate, quality meeting and convention space would increase the number of visitors to Kerrville and expand the tourism economy.
5. **Central City.** A strong downtown is a valuable component to a community's economic development efforts. Outsiders often weigh first impressions of the community based upon the appearance and vitality of the downtown. For Kerrville, the Central City should be a principal gathering spot for activities such as local commerce, governmental offices as well as festivals, cultural events and concerts. While the Central City element focuses on the physical enhancements and character of this area, this chapter addresses business attraction and retention, incentives, and the partnerships needed to accomplish the mission of re-energizing the Central City.

Goals, Objectives and Action Statements

Through various public participation opportunities, Kerrville residents and community leaders relayed their vision of the community's economic future. The following represent a summary of the goals for the Economic Development element:



- Goal 10.1: Recruit, expand and retain businesses and industries that are environmentally friendly and pay an above average wage.
- Goal 10.2: Improve the quality of the present and future labor supply in Kerrville.
- Goal 10.3: Ensure that a variety of housing opportunities is available to existing and future residents of Kerrville.
- Goal 10.4: Enhance tourism opportunities by building upon natural amenities and recreation opportunities, expanding cultural and historical tourism, and increasing the community's ability to host conferences and conventions.
- Goal 10.5: Encourage development of a diverse economy in the Central City area that is driven by market demand and provided by economic incentives.
- Goal 10.6: Develop the tools, projects and programs necessary to position Kerrville as a hub for businesses and industry that utilizes its resources and quality of life to be competitive in the global marketplace.

The following section defines the City's economic development goals, objectives, policies and action statements related to the above issues. Future decisions should be made on the basis of one or more of the community's goals or objectives.

GOAL 10.1: Recruit, expand and retain businesses and industries that are environmentally friendly and pay an above average wage.

Objective A: Launch a marketing effort to attract new industry and strengthen regional recognition of Kerrville as a progressive and visionary community.

Objective B: Provide adequate resources to maximize growth potential of the Airport Commerce Park.

Objective C: Be responsive to the needs of existing industries to promote business retention and encourage expansion.

Policy: *Efforts to diversify the local economy should focus both on existing sectors that are thriving and new industries that have the greatest opportunity for success.*



Action 10.1.1: Create a competitive and attractive business environment as a means to diversify the economic base.

- a. Create a target industry list to include those that will benefit from the City's assets and proximity to high-tech firms in the Austin and San Antonio areas.
- b. Utilize the Future Land Use Plan to guide future development of business parks and research and technology campuses, including consideration of adequate access and infrastructure.
- c. Prepare a business development plan, which identifies the roles and responsibilities for each of the economic development partners.
- d. Develop and provide an economic development portfolio of business development opportunities and supportive resources for each available property.
- e. Cooperatively promote appropriate, positive economic diversification in rural areas surrounding Kerrville, such as increased Mohair production, and maximization of exotic game ranges, hunting activities and youth camps.
- f. When soliciting the interest of target industries, utilize the data standards published by the American Economic Development Council (AEDC), now known as International Economic Development Council (IEDC).

International Economic Development Council (IEDC) is an association serving economic and development professionals and those in allied fields. IEDC assists members in their efforts to create sustainable local economic development capabilities that are globally competitive, leads in building knowledge, forming alliances, and managing key issues; and serves as a career anchor for the profession.

Action 10.1.2: Guide development of future business parks consistent with the appropriate designation on the Future Land Use Plan.

- a. Extend utilities and other municipal services to all portions of the Airport Commerce Park.
- b. Encourage the design of industrial buildings that are flexible, expandable and responsive to emerging business trends.

Action 10.1.3: Value existing industries and make necessary improvements or changes to provide them with a positive business environment that enables them to flourish.



- a. Coordinate the actions stated in this Plan to aid in the on-going economic development efforts of the City, Kerrville Area Chamber of Commerce, Kerr Economic Development Foundation and the Economic Improvement Corporation.
- b. Annually evaluate and revise the economic development incentives and policies to encourage retention and expansion of existing business and industry.
- c. Create a City-sponsored awards program recognizing businesses responsible for job creation, increased sales tax revenue, and expansion of the property tax base.

Action 10.1.4: Strengthen the role of the health care industry in Kerrville and Kerr County.

- a. Attract additional medical group practices to the Kerrville area.
- b. Renovate current medical facilities and assist in construction of any new medical office complexes.
- c. Address childcare issues for area businesses.
- d. Expand upon critical geriatric care and adult living services.

GOAL 10.2: Improve the quality of the present and future labor supply in Kerrville.

Objective A: Attract vocational/technology education facilities and programs to Kerrville.

Objective B: Establish workforce development programs.

Objective C: Develop partnerships to enhance the educational ranking of the Kerrville Independent School District.

Policy: *The City should provide continuing education programs that support local trades and professions to keep the workforce competitive in the regional and global marketplace.*

Action 10.2.1: Explore the possibility of attracting vocational/technical education facilities to the City.



- a. Explore a partnership with Schreiner University to determine the feasibility of expanding its programs to include more vocational/technical education.
- b. Participate with the Texas Tech University – Fredericksburg Campus in an effort to increase employment opportunities for a technically skilled workforce.
- c. Identify available sites and facilities either within Schreiner University or throughout the community that will accommodate vocational/technical education facilities.
- d. Enhance local health-related training programs to meet the specialized needs of Kerrville's hospitals.

Action 10.2.2: Work with local primary job creators to pursue state grant funding for employment training.

- a. Inventory existing primary job creators to determine their labor needs and skill requirements.
- b. Utilize Workforce Investment Act funds available through the Alamo Workforce Development Board to enhance job placement and training programs.
- c. Establish training programs that complement the needs of local business and industry while also creating an established labor pool for businesses and industry that the community is interested in attracting to the area.
- d. Partner with job creators to pursue grant funding, particularly through use of Economic Development Administration, Department of Agriculture and Department of Housing and Urban Development funds, as well as funds provided by foundations interested in innovative training and development programs.
- e. Coordinate with Schreiner University to establish a continuing education program that will allow employees to expand their skills, capabilities and employability.
- f. Utilize grant and foundation funds, in coordination with matching funds from the City of Kerrville and

The **Workforce Investment Act of 1998** provides the framework for a unique national workforce preparation and employment system designed to meet both the needs of the nation's businesses *and* the needs of job seekers and those who want to further their careers.



local hospitals, to expand scholarship programs for RNs, LVNs and Nursing Assistants.

Action 10.2.3: Facilitate partnerships between Kerrville ISD and local businesses to offer workforce training and life experience credits.

- a. Initiate a school-to-work program that introduces students to career opportunities in Kerrville.
- b. Provide incentives for students to take advanced classes through Schreiner University and other regional institutions for technical training and college preparation.
- c. Provide information to students and their parents on occupational opportunities and the knowledge, experience, and skills required.
- d. Establish and promote a variety of alternative education programs that address a variety of topics ranging from English as a second language (ESL) and obtaining a GED, to life skills and reading.

Action 10.2.4: Develop a Partners-in-Education program to facilitate tutoring of students by community leaders, members of the business community and particularly local retirees.

- a. Coordinate with Kerrville ISD and Schreiner University to establish mentoring programs for both traditional and non-traditional students.
- b. Establish a City-sponsored tutoring program matching students with local mentors.
- c. Encourage participation of student organizations in City government activities.

GOAL 10.3: Ensure that a variety of housing opportunities is available to existing and future residents of Kerrville.

Objective A: Encourage area builders and developers to provide a varied selection of housing alternatives that address affordability, accessibility, location, size, style, and amenities.



Housing and neighborhoods play an integral role in attractiveness of Kerrville to potential businesses and residents.



Objective B: Promote efforts to maintain older, established neighborhoods in Kerrville.

Objective C: Improve the appearance and marketability of Kerrville's neighborhoods and subdivisions.

Objective D: Ensure enforcement of City codes governing property maintenance for the safety, enjoyment, and appearance of the City.

Policy: *The City should add to the diversity of housing to better meet the needs and desires of the potential workforce by addressing affordability, accessibility, character, choice and amenities.*

Action 10.3.1: *Ensure that zoning and subdivision provisions do not pose a barrier to development of a varied housing stock.*

- a. Heighten awareness of area builders and developers that a demand exists for affordable housing and policies are in place to support their efforts.
- b. Establish flexible zoning and subdivision provisions to encourage a mix of residential development within new and existing neighborhoods that will increase the availability of housing alternatives for working families.

Action 10.3.2: *Coordinate with homeowners associations, nonprofit organizations and local builders to ensure that revitalization and redevelopment results in quality affordable housing.*

- a. Partner with community organizations and neighborhoods to engage in redevelopment efforts in older neighborhoods.
- b. Consider application for Community Development Block Grant funds for the purpose of reducing costs of renovation and new construction for affordable housing.
- c. Coordinate with local banks to establish reduced down payment and closing cost assistance for first time, low and moderate-income homebuyers seeking quality housing.



- d. Partner with nonprofit organizations such as Habitat for Humanity in development of infill housing that complements surrounding homes.

Action 10.3.3: Encourage enhancements to neighborhoods similar to those offered for major corridors in Kerrville.

- a. Encourage improvements to the public right-of-way to include pedestrian scale streetlights, street trees and other residential oriented streetscape amenities.
- b. Participate in the National Arbor Day Foundation's Tree City USA program.
- c. Protect open spaces and scenic areas within neighborhoods and in new residential developments.
- d. Maintain attractive entrance areas to the various neighborhoods utilizing quality signage, monuments, landscaping and lighting.
- e. Encourage residential rehabilitation and new construction that is consistent with established architectural design.
- f. Ensure that manufactured housing parks are designed to provide many of the same amenities found in other residential areas.

Action 10.3.4: Evaluate the existing code of ordinances and adopt revisions necessary to encourage and enforce property maintenance requirements.

- a. Evaluate existing codes for their effect on property maintenance.
- b. Coordinate code provisions with architectural themes established for enhanced citywide appearance.
- c. Adopt new City codes to encourage adequate property standards and enforcement in all parts of the City.



Hunting in the Hill Country is major recreational activity that draws visitors from across the State of Texas.

GOAL 10.4: Enhance tourism opportunities by building upon natural amenities and recreation opportunities, expanding cultural and historical tourism, and increasing the community's ability to host conferences and conventions.

Objective A: Promote year-round tourism for leisure travelers, winter visitors, and tour operators.

Objective B: Create cultural tourism opportunities by marketing the history of the community and other themes of potential interest.

Objective C: Promote Kerrville as a site for conferences and conventions that complement the existing tourism industry.

Policy: *Efforts to maintain public access to unique resources such as the Guadalupe River, hilltops and ranges should be preserved and historic and cultural themes expanded to enhance the City's marketability for meetings, conferences and conventions of various sizes.*

Action 10.4.1: *Encourage and foster year-round tourism by enhancing existing assets and creating new ones.*

Eco-tourism –

Defined by the Texas Nature Tourism Task Force as “discretionary travel to nature areas that conserve the environmental, social and cultural values while generating economic benefit to the local community.”

- a. Conduct a cultural/heritage tourism workshop to determine desirable themes for added tourism in the area that may include German heritage, the mohair industry, rural hill country living, eco-tourism, health, or fitness, and fall color gateway.
- b. Develop a strategic plan to implement themes, including community appearance, development of necessary businesses, development of facilities, and coordination of efforts.
- c. Expand local emphasis on existing tourism amenities, such as recreation, the scenic Hill Country and the Guadalupe River.
- d. Coordinate with the Kerrville Convention and Visitors Bureau to enhance promotion of Kerrville and Kerr County, increased presence at in-state and out-of-state travel shows to distribute marketing materials and pursuit of certification through the Texas Branded Certification Program.



- e. Encourage development and renovation of lodging facilities including hotels/motels, bed and breakfasts, and resort facilities that include a downtown hotel with full services. (See 10.4.2:d. below)
- f. Encourage development of additional, quality eating and drinking establishments, clustered in appropriately zoned locations to serve both residents and visitors.
- g. Partner with the Kerrville Convention and Visitors Bureau to develop and implement a hospitality-training program.
- h. Market extended stay opportunities in conjunction with youth summer camps.

Action 10.4.2: Coordinate local economic development and tourism organizations, such as the Kerr Economic Development Foundation and the Kerrville Convention and Visitors Bureau to develop a convention center.

- a. Determine the needs and market for a local convention center beyond those facilities currently offered.
- b. Create a plan for developing the convention center, including marketing, financing and construction.
- c. Combine efforts to develop the convention center with other community enhancements designed to make the community more marketable, including corridor design and strengthening Central City.
- d. Identify potential sites, preferably publicly owned, to solicit a developer to construct an anchor convention hotel in the Central City.

GOAL 10.5: Encourage development of a diverse economy in the Central City area that is driven by market demand and provided by economic incentives.

Objective A: Develop a flexible and aggressive economic incentive and marketability portfolio to aid in business creation, retention and expansion.

Objective B: Attract an appropriate mix of uses to Central City.



Objective C: Coordinate development activities in Central City with other areas throughout Kerrville, such as along Corridors to ensure that Central City remains the focal point of the community, with established economic “nodes” surrounding it.

Policy: *The City should focus its resources to overcome barriers to Central City development, such as the costs associated with adaptive reuse, risks associated with previously developed property, and lack of adequate infrastructure.*

Action 10.5.1: *Coordinate with public, private and nonprofit resources within Central City, Kerrville, Kerr County and the State of Texas to determine a potential toolkit of economic development incentives to offer potential developers.*

- a. Support and enhance the efforts of the Kerrville Main Street Program and the Kerr Economic Development Foundation.
- b. Encourage quality housing downtown to ensure a customer base for retail businesses.
- c. Promote programs to assist in the retention and expansion of existing and appropriate businesses, including grants and low interest loans for purchase of land, capital, training, renovation/new construction and other costs associated with remaining competitive.
- d. Develop a “streamlined” development process, including relaxed permitting requirements and an expedited approval process for those projects that are developed in Central City.
- e. Promote cooperation and coordination between various groups concerned with Central City issues.
- f. Target specific markets that are either current employment strengths or potential new markets, including “Lone Eagles”, artists and artisans, medical-related businesses, dining and entertainment, and recreation and tourism.
- g. Develop incentive programs to encourage infill development throughout Central City, including

Lone Eagles

represent a growing breed of entrepreneurs that are self-employed and in a business that permits movement to an area with a higher standard of living.



utilization of nonprofit development and revitalization programs.

- h. Research innovative economic and financing programs available in other areas of Texas and the United States and consider adapting those programs to service Central City businesses.

Action 10.5.2: Seek out land uses that match the vision for Central City and provide the balance necessary to generate a dynamic economy.

- a. Improve the image of downtown as a tourist destination with attractions such as more museums, entertainment venues, hotels, restaurants, and unique shops and galleries.
- b. Utilize the diversity in character areas of Central City and market particular locations for specific types of land uses.
- c. Promote hotels, restaurants and specialty shops adjacent to the Guadalupe River.
- d. Conduct an economic survey/analysis of existing businesses to determine if the area is competitive and to what extent. If the area is not considered competitive, determine the weaknesses and develop a series of projects and programs to address the issues.

Action 10.5.3: Ensure that economic development activities in Central City are complimentary to activities in other areas of Kerrville and promote activity outside of Central City in clustered economic nodes.

- a. Coordinate activities through organizations such as the Kerr Economic Development Foundation to ensure that Central City development is in accordance with economic plans for the community as a whole.
- b. Develop economic nodes along corridors that meet the basic needs of the general public and allow downtown to provide for specialty needs.



GOAL 10.6: Develop the tools, projects and programs necessary to position Kerrville as a hub for businesses and industry that utilizes its resources and quality of life to be competitive in the global marketplace.

Objective A: Establish an effective and efficient system of promoting economic development in Kerrville.

Objective B: Develop and maintain the tools necessary to promote economic development.

Objective C: Create a “one stop shop” for small business, entrepreneurial start-ups and “lone eagles.”

Policy: *The City should undertake a unified regional effort to identify new economic and market trends, evaluate the success of previous actions and measure results.*

Action 10.6.1: *Establish a single vision for economic activity in Kerrville and the surrounding area through leadership, coordination and planning.*

- a. Conduct an economic development workshop that expands upon the Economic Development Planning Summit coordinated by the Kerr Economic Development Foundation and the findings of the Kerrville Comprehensive Plan update.
- b. Establish a partnership among economic development entities, including participants from Schreiner University, Kerrville Public Utility Board, City of Kerrville, Kerr Economic Development Foundation, Chamber of Commerce, Kerrville Main Street Association, Kerrville Convention and Visitors Bureau, Kerrville Downtown Business Association, and the Small Business Development Center of the University of Texas at San Antonio to develop a seamless economic development process.
- c. Establish programs that build upon the strengths of the various economic development partners operating in Kerrville.



- d. Maintain active membership in, and communication with, organizations such as I-35 Corridor Council, IH-10 Council, Capital Area Planning Council (CAPCO), Austin Regional Partnerships, and Texas Municipal League (TML).
- e. Encourage regional communication and cooperation with other municipalities in the immediate area to enhance tourism and planned growth.

Action 10.6.2: The City should use incentives to make the cost of doing business in Kerrville lower than competing cities.

- a. Conduct a survey of other competing cities in the region to identify and analyze the range of economic development incentives they offer to business and industrial prospects.
- b. Develop an assessment of the cost of conducting business in Kerrville compared to other areas to determine the level of incentive necessary to retain and grow existing businesses and attract new businesses.
- c. Survey businesses in Kerrville to determine what incentives are considered important and necessary to attract and retain business.
- d. Streamline development review and approval procedures to facilitate timely project development.

Action 10.6.3. Establish a “one-stop” economic assistance center that combines the efforts and programs of various economic entities into a single point of contact.

- a. Consider creation of a city position of Economic Development Director with the role of guiding and coordinating the various economic development entities in Kerrville and creating a “one-stop” resource center for economic assistance.
- b. Establish a location, preferably within Central City, for development of a “one-stop” assistance center that serves Kerrville and offers a location to find information ranging from available industrial land to loan assistance programs.



Action 10.6.4. Implement various actions within this document that impact and further economic development activities in Kerrville.

- a. Ensure that adequate infrastructure is in place to permit expansion of existing business and attraction of new businesses.
- b. Maintain and enhance technology to ensure that Kerrville remains technically competitive.
- c. Strengthen the visual quality and order of Kerrville's corridors and gateways to present visitors and residents with a positive image of the community.